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Journal

Office of Legislative Counsel

Tuesday - 5 April 1955

1. At a meeting on 4 April with Mr. Macy and others at the Bureau of the Budget at which an attempt was made by DD/S to reach agreement on a final figure for construction of a CIA building which would be included in the Military Construction Act, the Bureau of the Budget felt rather strongly that such figure should be held to \$50,000,000. Col. White took the position that it should be \$55,000,000 so that the Agency would be covered not only for the cost of construction but also for the cost of the purchase of land which would be chargeable against the Agency. In addition, we would probably be charged with certain demolition and relocation costs if such action is required. The Bureau of the Budget finally proposed that the bill be drafted to authorize \$50,000,000 plus or minus 10%. There is no known precedent for such drafting and it is felt that the Congress will not authorize legislation in such form. Col. White requested that I secure the views of Roger Jones, Assistant Director of the Bureau of the Budget for Legislative Reference, on this matter and Mr. Jones agrees with our position that such drafting would not be proper. He will talk to the others in the Bureau of the Budget about it.

2. I talked with Mr. Kennedy, Chief Counsel of the Senate Investigations Subcommittee, regarding his letter of 17 March asking for information about the Trans-Siberian Railroad. I told Mr. Kennedy that CIA had faced this problem previously with his predecessor, Mr. Flanagan, on matters of East-West trade, and that we had stated then and were reiterating now that we could not pass on such information. I pointed out that much of our intelligence came from sensitive sources which might dry up if the basic information were too widely disseminated; that we passed the information on to other agencies in the Executive Branch on a need to know basis so that they could determine their policies on the best available intelligence, but that it was up to such other agencies to carry on whatever briefings Congressional Committees felt necessary. I told Mr. Kennedy that in connection with the

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Trans-Siberian Railroad there was some information available which I felt I could transmit to him orally as a matter of background for himself. Mr. Kennedy stated that he understood our problem and that in the case of the Trans-Siberian Railroad he would accept our position and would appreciate at a later date having me give him some background information on the Trans-Siberian. Mr. Kennedy added, however, that there may be times in the future when the Committee may feel so strongly about the need of some specific information that it would have to be taken up at a higher level than either he and I. However, we agreed that that should be considered on an ad hoc basis.

3. Mr. Koch of Sen. Hayden's office called Mr. Baird's office to state that the Senator would like to have CIA furnish him with certain unclassified figures which he could use before the Senate Appropriations Committee at such time as Mr. Eugene Castle, author of "Billions, Blunders and Baloney", testified before that Committee. Mr. Castle has been quoted as stating that "Actually there is no Russian propaganda as such abroad. The Russians know that all Europeans hate and distrust both domestic and foreign propaganda, so they avoid it." Senator Hayden desires an unclassified estimate of approximately how much the Russians spend on propaganda work outside of Russia. Mr. Koch informed me when I talked with him that there was no immediate rush for the information, but that the Senator would very much appreciate having it from us rather than from State, USIA or FOA, all of whom had been seriously attacked by Mr. Castle.

4. Mr. and Mrs. William F. Heimlich have left for Western Europe as Special Consultants to the Senate Internal Security Subcommittee. The purpose of the trip is to look into the strategy and tactics of world communism. One of their points of call will be the Intergovernmental Committee for European Migration.

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